

CHAPTER II

SUMMARY OF RULES AND REGULATIONS

Introduction

Seven Oaks is a community with many residents. In such a community, rules are needed. These rules and regulations are established in order to enhance everyone's enjoyment and use of their homes and common areas at Seven Oaks.

The Bylaws of the Association (Article 4, Section 4.1) empower the Board of Directors to establish reasonable rules and regulations for the use of the property. From time to time the Board will review any rules so established. The initial rules and regulations are set forth in the Declaration of Covenants, Conditions and Restrictions and the Book of Resolutions.

The remainder of this section provides a brief summary of the important rules and regulations of immediate concern to most homeowners. Greater detail is contained in the appendices to this Homeowners Manual, which include the design guidelines handbook adopted by the Board of Directors and specific resolutions related to the parking and use of vehicles, pets, restrictions on the use of homes and lots and assessment collection procedures.

Architectural and Landscape Improvements

The Declaration of Covenants, Conditions and Restrictions provides broad authority to the Association to promulgate, administer and enforce architectural and design standards and use restrictions for the community. The purpose is to enable the Association to maintain standards of design integrity and aesthetic appearance for the community, including all private homes and lots, thereby promoting the maintenance and enhancement of property values.

The Declaration also establishes procedural requirements for the administration of design standards. It mandates the appointment of a Covenants Committee by the Board of Directors. This committee has the following powers:

1. To promulgate design standards and rules and regulations, subject to approval by the Board of Directors;
2. To approve, disapprove or modify applications submitted by homeowners for exterior changes to homes or lots;
3. To monitor compliance with design standards and use restrictions.

The Declaration establishes a broad requirement that homeowners seek approval from the Covenants Committee for additions, changes or modifications which would change the exterior appearance of a home or lot. The Board of Directors of the Association has adopted a comprehensive Policy Resolution (Policy Resolution No. 6, "Design Review Procedures and

Guidelines") which establishes general design standards, use restrictions and administrative procedures. The Board of Directors has also approved a detailed Design Guidelines and Standards Handbook which is included as Appendix I of this Homeowners Manual. The handbook provides detailed design standards and use restrictions. All owners are advised to read the handbook and become familiar with its contents. Failure to obtain prior approval from the Covenants Committee for an exterior improvement or modification to a home or lot could result in subsequent inconvenience and expense for a homeowner.

In general, almost all visible exterior modifications to a home or lot require that homeowners submit a written application to the Covenants Committee and obtain approval prior to commencement of the improvement. Examples of improvements which require prior approval include the following: any structural addition or modification to the home; all decks, patios and fences; major landscape improvements, particularly those which would alter the topography of the lot or basic landscape design plan for the community; repainting or re-staining the home (except for the original color).

In addition, certain uses or improvements are prohibited. These include: window air conditioner units and chain link fences.

The design guidelines cannot envision every possible modification that might be proposed by owners. Therefore, owners are advised to contact the Covenants Committee or managing agent before proceeding with any improvements where there is a question as to whether or not prior application and approval is required.

Assessment Payments

Detailed assessment collection procedures are contained in Administrative Resolution No. 3 of the Book of Resolutions, which is included as an appendix to this Homeowners Manual.

All assessment payments are due on the first day of each monthly assessment period. Assessment payments not received within **fifteen (15) days** after the due date will be considered delinquent and a ten dollar (\$10.00) late fee will be levied and added to the homeowners account.

In cases where an assessment payment is delinquent, the Board may at its discretion, choose to accelerate the remaining installments of the annual assessment obligation (all remaining fees for the balance of the fiscal year would, therefore, be due and payable). Additionally, the Board may file a lien against the unit in the land records of Anne Arundel County and/or initiate a civil law suit against the owner. The cost of a lien filing and any legal costs incurred by the Association will be assessed against the delinquent unit owner.

The consequences of extended delinquency can be costly to a unit owner. More important, however, is that any substantial failure to make assessment payments can have an adverse impact on the Association's cash flow and ability to pay for services in a timely manner. Typically, a Board of Directors attempts to establish the lowest possible assessment fee consistent with the Association's essential service requirements. This approach anticipates voluntary cooperation by all homeowners in meeting their assessment obligation.

Leasing of Units

Restrictions on the leasing of units are detailed in Policy Resolution No. 9 of the Book of Resolutions, which is included as an appendix to the Homeowners Manual.

Owners who want to lease their unit must comply with the following requirements:

1. The minimum lease term is six months;
2. The lease must contain a provision that the right of the lessee to use and occupy the home and lot are subject to compliance with the provisions of the legal documents and the rules and regulations of the Association.

Compliance with this provision is in the clear interest of the homeowner, since the owner may be liable for any costs incurred by the Association in addressing violations by the lessee. Owners are encouraged to see that renters are provided with a copy of the legal documents and all rules and regulations, so they are familiar with their rights and obligations as residents of the community. Provision of a copy of the Homeowners Manual is suggested as a means of ensuring that renters are adequately informed.

3. A copy of the executed lease should be forwarded to the Management Agent or Board of Directors at least ten days in advance of occupancy by the renter. Owners are also required to provide advance notice of a lease continuation or renewal.

In addition to the above, it is important that owners provide prompt notification to the Managing Agent of an address change so that the Association can properly forward any assessment coupons and legal notices (i.e., Association meeting, etc.).

Pets

Requirements and restrictions on the keeping of pets are set forth in Policy Resolution No. 8 of the Book of Resolutions, which is included as an appendix to this Homeowners Manual.

Subject to any restrictions set forth in this resolution, homeowners may keep generally recognized, domesticated house or yard pets, provided that there shall be no commercial breeding of animals on the property.

Pet owners are advised to familiarize themselves with the requirements of Policy Resolution No. 8, which includes the following provisions:

1. Pets may not run free on the Association common areas; they must be on a leash;
2. Pets should have all required licenses and inoculations;
3. Owners are responsible for the immediate removal and disposal of all animal waste on the common areas.

Vehicle Parking and Use Restrictions

Rules governing the parking and storage of vehicles are set forth in Policy Resolution No. 7, which is also included as an appendix to this Homeowners Manual.

Owners and community residents should be particularly aware of the fact that certain types of vehicles, including boats, commercial vehicles, recreational vehicles and buses, may not be parked in open view within the confines of the community other than on a temporary basis, except in areas, if any, designated for such use by the Board of Directors and commercial vehicles may be parked in reserved parking spaces if such vehicle fits in the parking space and if that vehicle is driven daily for work. A detailed listing of such vehicles is contained in Policy Resolution No. 7. Vehicles subject to the restriction may be maintained on private lots if parked in a garage.

Other important rules detailed in Policy Resolution No. 7 include the following:

1. No major vehicle repairs or maintenance may be performed on the property, except in garages. This restriction extends to painting and the drainage of automotive fluids.
2. Junk or derelict vehicles may not be parked on the property and will be subject to removal at the owner's expense. A derelict vehicle is basically defined as one that is non-drivable.

Use of Lots and Common Areas

Policy Resolution No. 9 of the Book of Resolutions stipulates a number of rules related to the use of lots and common areas, including the following provisions:

1. No trash receptacles may be stored in open view. Trash containers may be put out for pick up no earlier than the evening prior to the scheduled pick up day and must be removed in the evening on the day of pick up. If a homeowner receives a violation notice for leaving his trash or trash receptacle out after trash collection day, then for every repeat offense during that calendar year after the first notice, the homeowner's assessment account will be charged \$25.00 for the offense. At the beginning of the next calendar year, the process will begin again.
2. No litter, trash, refuse, building materials or bulk materials may be stored or accumulated upon any lot, except for construction materials required for the completion of alterations approved by the Covenants Committee.
3. Leaves, trash and other articles may not be burned on the lots or common areas.